

**ECUADOR**  
**INTEGRATED SYSTEM OF SOCIAL INDICATORS**  
**SECOND PHASE**

**(TC-98-09-52-8-EC)**

**EXECUTIVE SUMMARY**

**BENEFICIARY:** The Republic of Ecuador

**EXECUTING AGENCY:** The State Secretariat for Social Development (SEDS)

**AMOUNT AND SOURCE:** IDB: US\$1,000,000 (JSF)  
Local counterpart contribution:US\$ 600,000  
Total: US\$1,600,000

**TERMS:** Execution period:24 months  
Disbursement period:30 months

**OBJECTIVES:** The main purpose of the project is to strengthen the central government's capability for analysis, design and implementation of social policies by strengthening, expanding and institutionalizing the Integrated System of Social Indicators (SIISE).

**DESCRIPTION:** The present project comprises the measures needed to support the country in its effort to establish a computerized system of social data that will be available for the use of public and private institutions working in the social sector. It would accomplish the stated purpose through the following three components:

1. Development and expansion of the social indicators database. In this component three groups of measures will be financed:  
(a) updating and expansion of the social indicators database; (b) development and updating of computer software for management of the database, and (c) studies, methodology development, and research services.
2. Improvement of social-statistics production by means of: (a) measures to strengthen quality control of basic statistics; (b) establishment of a library of primary databases; (c) the design and development of the first stage of a social monitoring survey for, among other purposes, the development of a mechanism for the award of subsidies, and (d) commencement of the construction of a system of social accounts as part of the country's national accounts.
3. Training and dissemination. The project will promote the use of the above-mentioned data via mechanisms that make use of new electronic technologies for the widespread dissemination of information, and the training of human resources in the use of information in their occupational

practice.

The project executing agency will be the State Secretariat for Social Development, through the UTS, a technical unit of the SIISE, which will be advised by the CIS, an interagency council of the SIISE.

**ROLE OF THE  
PROJECT IN THE  
BANK'S COUNTRY AND  
SECTOR STRATEGY:**

The proposed project fits within the Bank's strategy for the country and sector in that it will endow the country with new and better tools for investment decisions especially in the social sector, a fundamental aspect of the effort to reduce poverty. In addition, optimization of the use of resources assigned to the social sector is a necessary condition for sustainable development over time.

**ENVIRONMENTAL AND  
SOCIAL REVIEW:**

The characteristics of this operation are such that it has no negative impact on the environment.

**BENEFITS:**

The principal benefit accruing from the project would be that the social area of the Government of Ecuador would be supplied with an instrument needed for the framing of social policies to reduce poverty, promote greater social equity, and improve the allocation of social expenditures and the efficiency of social interventions.

**RISKS:**

Delay in launching the new institutional organization of the SEDS could impede consolidation of the SIISE. However, the government is taking the necessary steps to set up a technical agency that will support the work of planning, coordination and evaluation of the government social sector that would be expected of the SEDS. In particular, this technical agency will seek proper coordination between the SIISE and the other information-generating institutions, especially the National Statistics and Census Bureau, for the development of the system of indicators.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

Definition of the makeup and operating arrangements of the CIS (paragraph 4.1 of the plan of operations which follows), setup of the UTS and selection of its coordinator (paragraph 4.2) will be conditions precedent to the first disbursement. In addition, the project will undergo a midterm review a year after the operation has been declared eligible (paragraph 4.7). Also, at the beneficiary's request, a revolving fund will be set up consisting of 20% of the contribution from the Japan Special Fund (paragraph 4.4).

**POVERTY-TARGETING  
AND SOCIAL-SECTOR  
CLASSIFICATION:**

The project will improve the quality and timeliness of social information in Ecuador and provide an instrument for targeting social expenditures to the country's neediest.

**EXCEPTIONS TO BANK  
POLICY:**

None.

**PROCUREMENT:**

The procurement of goods and services will conform to the Bank's standard procedures and to the agreement signed by the Bank with the Republic of Ecuador on September 15, 1992.